



**Washington State
Department of Transportation**

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Secretary of Transportation

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December 7, 2012

Seattle Tunnel Partners
999 Third Avenue, Suite 2424
Seattle, WA 98104
ATTN: Chris Dixon

Subject: SR 99 Bored Tunnel Alternative Design-Build Project
Contract No. 007999 / Federal-Aid No. BR-NH-STP-STPF-0099(111)
DBE Participation

WSDOT Ref: **W-G-GEN-GEN-CR08-0001302-01**

Dear Mr. Dixon,

As we approach the end of our second year of the SR 99 Tunnel Project, we need to evaluate the progress Seattle Tunnel Partners (STP) has made toward meeting or exceeding the 8% DBE goal specified in the contract. As of October 31, 2012, the design effort is approximately 98% complete and the construction effort is approximately 30% complete. Also as of October 31, 2012, the combined value of contracts awarded to DBE firms (subcontractors and suppliers at all tiers) is \$25,321,205, or about 28% of the \$91.2 million DBE Goal. While this number is encouraging, STP's Monthly DBE Progress Report for the same period only claims DBE commitments of \$9,629,288 and actual participation of just \$3,916,072, or just 4% of the DBE goal.

The limited value of actual DBE participation to date is a cause for concern. WSDOT feels that it is imperative that STP and WSDOT work together to identify issues that are preventing us from claiming DBE participation and clear any barriers that we can. In addition, we feel it is an opportune time to focus on STP's good faith efforts toward DBE Participation so that we can maximize DBE utilization on the Project.

To that end, we request the following:

- A report listing all of the DBE's currently under contract on the project. For each DBE include the Commitment (a.k.a. the current Contract Amount including change orders) and the anticipated DBE Value of the Commitment.

Where the Commitment value and the DBE Value of the Commitment differ, please provide an explanation. Many of these differences will be in regulation, such as DBE is a Regular Dealer and 60% of supplies are applicable toward the DBE Goal. WSDOT will focus on those differences that require resolution through review, approval, or other actions by WSDOT or other agencies to assist STP in achieving the maximum eligible participation for those firms.

- A detailed plan that shows how STP intends to meet the 8% DBE Participation goal on the project including the specific nature and volume of the Work. The plan should contain information on how specific DBE firms fit specific work categories. We also recommend that the DBE firms listed be vetted in advance to assure they possess the correct NAICS certifications for the intended work.
- A reporting structure that summarizes the results of procurements including DBE proposals. It should include:
 - a. Description of work
 - b. Low bidder price (if not a DBE)
 - c. Listing of DBEs who submitted bids including their bid price(s)
 - d. Reason and details for not hiring DBE firms to perform the work (if this is the case)
- Clarification in STP's *Procurement Procedures, Workflows, and References* manual about how STP will give consideration to DBE proposals that are not the low bid but are within a competitive range (Per 49 CFR 26 Appendix A, subparagraph IV, D2).
- A summary of modifications STP has made in their subcontract documents and procurement processes based on lessons learned.
- A response to WSDOT's letter to STP dated Jan. 3, 2012 including submittal of an updated DBE Participation Schedule.
- Execution of the "*Evaluation and Improvements towards Eight Percent DBE Participation*" process included in the *DBE Participation Schedule* dated May 20, 2011 (page 7, lines 21 through 44) and submittal of corresponding work products and documentation.
- A summary of outreach and contracting efforts completed to date.
- A summary of the challenges STP has faced in trying to meet the DBE goal.

We would be pleased to discuss these items with you further. If you are interested, please coordinate with Brian Nielsen and me to schedule a meeting.

Sincerely,


 Linea Laird
 Program Administrator
 SR 99 Tunnel Project

cc: File, Alaskan Way Viaduct Replacement Program
 Randy Everett, Federal Highway Administration